

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-01790A
Saguaro Water Company
2200 E River Rd, Ste.115
Tucson, AZ 85718

RECEIVED

MAY 01 2006

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN04	05
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Entered
5-2-06
PF

COMPANY INFORMATION

Company Name (Business Name) <u>Saguaro Water Company</u>			
Mailing Address <u>4572 E. Camp Lowell Drive</u>			
(Street)			
Tucson	AZ	85712	
(City)	(State)	(Zip)	
(520) 577-2616	(520) 319-6560		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>ddavis@camplowell.com</u>			
Local Office Mailing Address <u>2200 E. River Road, Suite 115</u>			
Tucson	AZ	85718	
(City)	(State)	(Zip)	
(520) 577-2616	(520) 319-6560		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>Diane Davis</u> Manager			
4572 E. Camp Lowell Drive	Tucson	AZ	85712
(Street)	(City)	(State)	(Zip)
(520) 577-2616	(520) 319-6560		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>ddavis@camplowell.com</u>			
On Site Manager <u>Chris Monson</u>			
(Name)			
4572 E. Camp Lowell Drive	Tucson	AZ	85712
(Street)	(City)	(State)	(Zip)
(520) 577-2616	(520) 319-6560		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Robert Fortuno

(Name)

3002 N. Campbell Avenue

Tucson

AZ

85719

(Street)

(City)

(State)

(Zip)

(520) 299-4610

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Michael McNulty

(Name)

1 S. Church Avenue, #700

Tucson

AZ

85701

(Street)

(City)

(State)

(Zip)

(520) 629-4453

(520) 879-4732

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certified to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | | |
| <input type="checkbox"/> GILA | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> STATEWIDE | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |

Company Name: Saguaro Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization Cost	29,256	29,256	-
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements			-
307	Wells and Springs	151,928	16,123	135,805
311	Electric Pumping Equipment	172,471	51,933	120,538
320	Water Treatment Equipment	25	25	-
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	565,802	134,954	430,848
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	3,451,767	449,433	3,002,334
333	Services	1,176	1,176	-
334	Meters and Meter Installations	117,470	18,443	99,027
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	250	250	-
	TOTALS	4,490,145	701,593	3,788,552

This amount goes on the Balance sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)*	Depreciation Expense (1x2)
301	Organization Cost	29,256	5.00%	102
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	151,928	5.00%	7,596
311	Electric Pumping Equipment	172,471	5.00%	7,936
320	Water Treatment Equipment	25	5.00%	
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	565,802	5.00%	28,290
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	3,451,767	5.00%	154,675
333	Services	1,176	5.00%	
334	Meters and Meter Installations	117,470	5.00%	4,872
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Fixtures			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	250	5.00%	-
	TOTALS	4,490,145		203,471

This amount goes on Comparative Statement of Income and Expense Acct No. 403.

* 1/2 year convention on depreciation (1/2 year depreciation on new assets, 1/2 year on retirements)

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 467,598	\$ 635,828
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	28,560	43,039
145	Accounts Receivable/Associated Companies	28,329	58,695
146	Notes/Receivables from Associated Companies		
151	Plant Materials & Supply Inventory		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	28,278	48,880
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 552,765	\$ 786,442
	FIXED ASSETS		
101	Utility Plant in Service	\$ 3,791,091	\$ 4,490,145
103	Property Held for Future Use	56,000	56,000
105	Construction Work in Progress	5,420	
108	Accumulated Depreciation - Utility Plant	(498,120)	(701,593)
121	Non-Utility Property		
122	Accumulated Depreciation - Utility Plant		
	TOTAL FIXED ASSETS	\$ 3,354,391	\$ 3,844,552
	TOTAL ASSETS	\$ 3,907,156	\$ 4,630,994

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Meter Deposits	84,454	123,515
236	Accrued Taxes	46,927	73,722
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	9,603	14,795
	TOTAL CURRENT LIABILITIES	\$ 140,984	\$ 212,032
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	3,635,110	4,290,474
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 3,635,110	\$ 4,290,474
	TOTAL LIABILITIES	\$ 3,776,094	\$ 4,502,506
	CAPITAL ACCOUNTS		
201	Common Stock	\$ 102,100	\$ 102,100
211	Paid in Capital	281,327	281,327
215	Retained Earnings	(252,365)	(254,939)
218	Proprietary Capital (Sole Props. And Partnerships)		
	TOTAL CAPITAL	\$ 131,062	\$ 128,488
	TOTAL LIABILITIES AND CAPITAL	\$ 3,907,156	\$ 4,630,994

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Sales	\$ 333,356	\$ 473,074
460	Other Water Sales		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 333,356	\$ 473,074
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Pumping Power	20,811	31,708
618	Chemicals		
620	Repairs and Maintenance	20,160	12,746
621	Office Supplies and Expense	2,975	285
630	Outside Services	86,808	68,952
635	Water Testing	4,765	5,770
641	Rents		
650	Transportation Expense		
657	Insurance - General Liability		963
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expenses	5,551	2,290
403	Depreciation Expense	139,577	203,471
408	Taxes other than Income	13,069	24,213
408.11	Property Tax	7,454	16,954
409	Income Tax	48,494	108,296
	TOTAL OPERATING EXPENSES	\$ 349,664	\$ 475,648
	OPERATING INCOME (LOSS)	\$ (16,308)	\$ (2,574)
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME (EXPENSE)	\$ -	\$ -
	NET INCOME (LOSS)	\$ (16,308)	\$ (2,574)

COMPANY NAME: Saguaro Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	<u>\$123,515</u>
Meter Deposits Refunded During the Test Year	<u>\$15,646</u>

COMPANY NAME: Saguaro Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-617996	50	330		10		1963
55-540941	30	160		12		1994
55-590054	125	440		16		2004

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	1	165	
50	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	1	5,000	6

COMPANY NAME: Saguaro Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	14,510
5		
6	PVC	44,404
8	PVC	59,420
10		
12	DIP	18,850
12	PVC	11,565
6	DIP	836

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	544
3/4	50
1	124
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT: N/A

STRUCTURES: N/A

OTHER: N/A

Company Name: Saguaro Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	557	3,349,840	4,243,570
FEBRUARY	576	3,231,620	3,770,570
MARCH	587	5,628,000	5,620,950
APRIL	589	15,568,930	6,914,620
MAY	605	6,965,050	7,407,040
JUNE	616	7,233,988	7,742,310
JULY	633	6,114,070	8,607,220
AUGUST	643	6,124,328	5,566,900
SEPTEMBER	653	5,963,840	7,339,320
OCTOBER	668	6,471,390	7,104,320
NOVEMBER	692	5,828,170	6,260,500
DECEMBER	704	5,572,708	7,524,080
TOTAL		78,051,934	78,101,400

Is the water utility located in an ADRW Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR gallons per capita (GPCD) requirement?

☐ Yes ☒ No

If Yes, please provide the GPCD amount: _____

What is the level of arsenic for each well on your system.

North Well < 0.001

South Well < 0.002

Well # 3 < 0.001

Note: If you are filing for more than one system, please provide separate data sheets for each system.

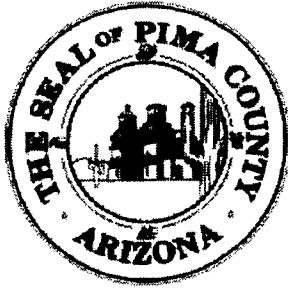
COMPANY NAME: Saguaro Water Company **YEAR ENDING 12/31/2005**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$15,591.86

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____



Beth Ford Pima County Treasurer

Parcel: 20574046E 9 Total Taxes: \$17.58 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2005	10/31/2005
Method:	CK	CK
Tax Paid:	\$17.58	\$0.00
Paid By:	01	01
Trans Type:	A	A
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SAGUARO WATER CO
ATTN: DIANE DAVIS/MANAGER
2200 E RIVER RD # 115
TUCSON AZ 85718-6577

Property Address:

TAX DUE SUMMARY

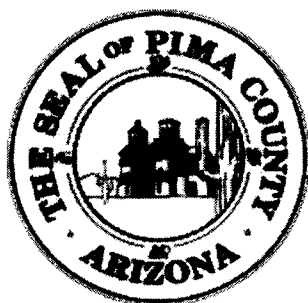
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

RINCON DESERT ESTATES S50' OF N1838' OF E50'
TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
GROUP NO 311

HISTORY TAX ROLL CHANGE

2004 \$18.02
2003 \$18.48
2002 \$4,309.02
2001 \$7,478.74
2000 \$4,731.50



Beth Ford

Pima County Treasurer

Parcel: 931120000 4 Total Taxes: \$7,417.53 Tax Year: 2004 As of Date: 04/25/2006

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	11/01/2004	04/28/2005
Method:	CK	CK
Tax Paid:	\$3,708.77	\$3,708.76
Paid By:	01	01
Trans Type:	A	A
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SAGUARO WATER CO
ATTN: DIANE DAVIS/MANAGER
2200 E RIVER RD #115
TUCSON AZ 85718-6577

Property Address:

TAX DUE SUMMARY

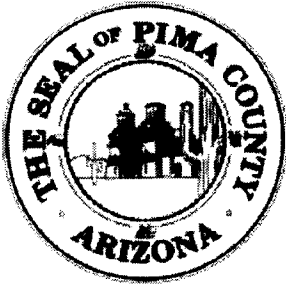
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO 311

HISTORY TAX ROLL CHANGE

2003	\$5,364.54
2002	\$0.00
2001	\$0.00
2000	\$0.00
1999	\$0.00



Beth Ford Pima County Treasurer

Parcel: 931120000 4 Total Taxes: \$10,141.48 Tax Year: 2005 As of Date: 12/31/2005

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$5,070.74
Date Paid:	10/31/2005	
Method:	CK	
Tax Paid:	\$5,070.74	\$0.00
Paid By:	01	
Trans Type:	A	
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SAGUARO WATER CO
ATTN: DIANE DAVIS/MANAGER
2200 E RIVER RD #115
TUCSON AZ 85718-6577

Property Address:

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$5,070.74	\$5,070.74
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$5,070.74	\$5,070.74
	NSF Fees		\$0.00
	Reclaimed Refunds		\$0.00
TOTAL AMOUNT DUE			\$5,070.74

Legal Description:

TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO 311

HISTORY TAX ROLL CHANGE

2004 \$7,417.53
2003 \$5,364.54
2002 \$0.00
2001 \$0.00
2000 \$0.00

Beth Ford

Print Date: 04/28/05

Pima County Treasurer Parcel Inquiry Report

As of Month 5, Year 2005

Parcel 931120000

Year	Half	TAC	Tax	FD Date	Cert Num	Index	Rate	Tax	Interest	Penalties	Fees	Interest Refund	Total
2003	F				0	0	0.00	2682.27	679.51	134.11	0.00	0.00	3495.89
2003	S				0	0	0.00	2682.27	464.93	134.11	0.00	0.00	3281.31
									\$5,364.54	\$1,144.44	\$268.22	\$0.00	\$6,777.20

SAGUARO WATER CO
DIANE DAVIS/MANAGER

AZ Corp
Commissioner
Assessors Tax

Right to appeal in 30 days

current
#customers 4

Redemption Fees: 0.00
Total Due: \$6,777.20

Balance Due

amund report: 321-4600
Beach Electronics
Michael McDuffy atty 5/31/05

DELINQUENT

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAY 01 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Chris Monson, President</u>
COMPANY NAME
<u>Saguaro Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 **DAY OF**

Notary Public State of Arizona

Pima County

The (Chris M. Simpson)

Expires May 25, 2008

COUNTY NAME
<u>Pima</u>
MONTH <u>April</u> <u>2006</u>


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 25, 2008

COMPANY NAME: Saguaro Water Company

YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$266,824</u>
Estimated or Actual Federal Tax Liability	<u>\$87,311</u>

State Taxable Income Reported	<u>\$286,803</u>
Estimated or Actual State Tax Liability	<u>\$19,979</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$0</u>
Amount of Gross-Up Tax Collected	<u>\$0</u>
Total Grossed-Up Contributions/Advances	<u>\$0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

April 28, 2006**DATE**Chris Monson**PRINTED NAME**President**TITLE**

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 01 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Chris Monson, President
COMPANY NAME
Saguaro Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 473,074

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 24,213
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28
Notary Public State of Arizona

DAY OF



Pima County
Theresa M. Simpson
Expires May 25, 2008

COUNTY NAME
<u>Pima</u>
MONTH <u>April</u> YEAR <u>2006</u>


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 25, 2008

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

MAY 01 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Chris Monson	President
COMPANY NAME Saguaro Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$473,074

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$24,213
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF

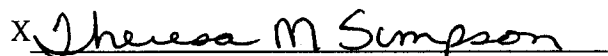
(SEAL)

Notary Public State of Arizona
Pima County
Theresa M. Simpson
Expires May 25, 2008

MY COMMISSION EXPIRES

May 25, 2008

NOTARY PUBLIC NAME Theresa M. Simpson	
COUNTY NAME Pima	
MONTH April	20 06

X 
SIGNATURE OF NOTARY PUBLIC

SAGUARO WATER COMPANY
YEAR ENDED DECEMBER 31, 2005

SAGUARO WATER COMPANY
YEAR ENDED DECEMBER 31, 2005

CONTENTS

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BEACH, FLEISCHMAN & CO., P.C.
Certified Public Accountants/Financial & Business Advisors

Bruce D. Beach, CPA
Peter F. Beahan, CPA, ABV
Richard A. Bratt, CPA
David J. Cohen, CPA
Jo DeChatelet, CPA, CFP®
Kevin J. Donovan, CPA, EA, MSPA
Marc D. Fleischman, CPA, ABV

Robert G. Harbour, CPA, CVA
George Henderson, CPA
David M. Iaconis, CPA
Jimmy J. Lovelace, CPA
Karen K. McCloskey, CPA, MST
Loretta Peto, CPA, ABV
Cynthia A. Schroeder, CPA

Shareholders
Saguaro Water Company
Tucson, Arizona

We have compiled the balance sheet of Saguaro Water Company as of December 31, 2005, and the related statement of operations for the year then ended and accompanying information on pages 4 through 9, 13, and 15 through 17 of the annual Arizona Corporation Commission reports, included in the accompanying form prescribed by the Arizona Corporation Commission, Utilities Division, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, information that is the representation of management. We have not audited or reviewed the accompanying financial statements referred to above and, accordingly, we do not express an opinion or any other form of assurance on them.

The financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, which differ from U.S. generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Beach, Fleischman & Co., P.C.

March 16, 2006

SAGUARO WATER COMPANY
BALANCE SHEET
DECEMBER 31, 2005
(See Accountants' Compilation Report)

Docket No. W-01790A

ASSETS

Property and equipment, net	<u>\$ 3,844,552</u>
Current assets:	
Cash and cash equivalents	635,828
Accounts receivable	101,734
Other current assets	<u>48,880</u>
Total current assets	<u>786,442</u>
	<u><u>\$ 4,630,994</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Capitalization:	
Capital accounts	\$ 128,488
Deferred credit:	
Advances in aid of construction	4,290,474
Current liabilities	<u>212,032</u>
	<u><u>\$ 4,630,994</u></u>

SAGUARO WATER COMPANY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2005
(See Accountants' Compilation Report)

Docket No. W-01790A

Metered water sales	\$ 473,074
Operating expenses	<u>475,648</u>
Operating income (loss)	<u>(2,574)</u>
Net income (loss)	<u><u>\$ (2,574)</u></u>